

NewPeak Metals Ltd

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Dark Horse Resources gears up for drill campaign on newly acquired Tampere gold project in Finland

It's a time of significant change for Dark Horse Resources Ltd (ASX:DHR). The company is expected to list on a European stock exchange in the near future in order to reflect better the strategic shift that has taken place, as it has moved its focus away from Argentina towards Finland and Sweden, where it has recently acquired new properties.

The precise timing of the European listing has yet to be decided, since the coronavirus is playing havoc with many peoples' timetables, but Dark Horse is already listed in Australia, so sophisticated European investors already have a chance to buy in if they want to.

Now might be an opportune time, because the company's plans for transformation are only just getting started, according to chief executive David Mason.

"Our new business strategy is to source gold projects in good mining jurisdictions worldwide, with a particular emphasis on Australia, North America and Europe," he says.

"We've evaluated numerous projects over the past six months, and we're still looking at assets in North America and Australia. But our first is the Tampere gold project in Finland."

So, more deals could be on the way. in the meantime, though, an operational pullback from Argentina has been effected, and in a short space of time Finland has become the focus.

The deal was announced in early June, and on 7 July Dark Horse said that the completion of the permit purchase agreement with the seller, Sotkamo Silver AB, was reaching its final stages.

Around A\$675,000 has been raised to get to work, and a drill programme is planned for later in the year, and an ongoing shareholder participation could another A\$1mln or more.

But what's the opportunity here, if Sotkamo has seen fit to sell these assets?

The answer is that Sotkamo has recently put a silver mine into production, and that process has changed its whole way of looking at the world. It's no longer really an explorer, and assets like the Tampere gold project were no longer a key focus.

In the end, Sotkamo parted with Tampere and an associated portfolio of Swedish tungsten assets for €150,000 clean, with no residual milestone or royalty payments left hanging over Dark Horse. In that sense the deal looks a good one from the Dark Horse perspective.

Price: 0.003

Market Cap: \$13.1 m

1 Year Share Price Graph



Share Information

Code: NPM

Listing: ASX

52 week High Low
0.004 0.002

Sector: General mining & base metals

Website: newpeak.com.au

Company Synopsis:

NewPeak Metals (ASX: NPM) is a mineral resource company with a particular focus on discovering a multimillion ounce Gold deposit. NewPeak has just entered into a binding term sheet to acquire a group of drill-ready Gold properties in Otago, New Zealand. NewPeak has recently acquired 100% of a group of Gold permits in Finland.

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Now the company has to get out and find some gold.

The initial area of operations will be on Hopeavuori leases, which already boast 3,000 metres worth of historic drilling. Some good gold intercepts were returned from this drilling, with highlights including 11.5 metres at 19.4 grams per tonne and three metres grading 106.7 grams per tonne, both close to surface.

Indeed, of the 54 holes previously drilled, none went deeper than 100 metres, while laterally they only covered around 200 metres of strike.

Mason reckons that the strike could be as much as 800 metres long, and with the mineralisation open at depth too, there's clearly an opportunity for some ambitious resource development work to be done.

Accordingly, the drilling should start in September or October of this year, supported by the new money, and it will be interesting to see the results as they come in.

In the meantime, Dark Horse will also be evaluating the other gold prospects in the new portfolio, some of which also have historical drilling, as well as taking a closer look at the tungsten projects in Sweden, and working out whether to progress or joint venture them.

The company has also engaged a Canadian advisory company to explore options for the Argentine portfolio, although at this stage the intention is not to sanction an outright sale.

"We would like to maintain our participation and our interest going forward," says Mason. So Dark Horse knows the value of its Argentine ground, and isn't willing to part with it quite just yet, even if the focus has moved elsewhere.

Whether the market will give Argentina much value until such a deal is transacted remains an open question, but Dark Horse does have a track record of retaining established value from non-core assets. It also owns a stake in Lakes Oil (ASX:LKO), which is worth more than Dark Horse itself. Yet, despite this disparity, Mason isn't a seller of Lakes quite yet. He sees more value coming down the line.

All told, it's an intriguing proposition: a gold explorer transitioning and on the lookout for deals, with a drill programme coming up, and significant legacy assets acting in support on the balance sheet. Watch this space.

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